

**AUCTION POSTPONED TO
MAY 15, 2013
ARIZONA STATE LAND DEPARTMENT
1616 WEST ADAMS STREET
PHOENIX, ARIZONA 85007**

PUBLIC AUCTION SALE NOS. 21-116301 and 21-116302

Pursuant to A.R.S. Title 37, notice is hereby given that the state of Arizona, through its Arizona State Land Department (herein called ASLD), will sell at Public Auction to the highest and best bidder at 11:00 a.m., on ~~Wednesday, May 1, 2013~~, **at 11:00 a.m., on Wednesday, May 15, 2013**, at the Cortez Street entrance of the Yavapai County Courthouse, Prescott, Arizona, the authorization to remove groundwater using a well(s) situated on the State Lands described below for a term of 10 years from the date of sale situated in Yavapai County to wit:

SALE NO. 21-116301

TOWNSHIP 15 NORTH, RANGE 9 WEST, G&SRM, YAVAPAI COUNTY, ARIZONA

PARCEL FROM WHICH WATER IS TO BE REMOVED: SESESE, SECTION 11, CONTAINING 10.00 ACRES, MORE OR LESS.

BENEFICIARY: PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)

The ASLD's authorization to extract 80 acre-feet per year of groundwater from the land described above, has been appraised at a total minimum bid of \$6,400.00. If the applicant extracts water in excess of 80 acre-feet per year, compensation for the water extracted shall be paid at a charge of \$80.00 per acre-foot or current appraised per acre-foot value, whichever is greater. The maximum amount of groundwater extracted shall not exceed 645 acre-feet per year.

SALE NO. 21-116302

TOWNSHIP 15 NORTH, RANGE 9 WEST, G&SRM, YAVAPAI COUNTY, ARIZONA

PARCEL FROM WHICH WATER IS TO BE REMOVED: NENENE, SECTION 24, CONTAINING 10.00 ACRES, MORE OR LESS.

BENEFICIARY: PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)

The ASLD's authorization to extract 80 acre-feet per year of groundwater from the land described above, has been appraised at a total minimum bid of \$6,400.00. If the applicant extracts water in excess of 80 acre-feet per year, compensation for the water extracted shall be paid at a charge of \$80.00 per acre-foot or current appraised per acre-foot value, whichever is greater. The maximum amount of groundwater extracted shall not exceed 1,130 acre-feet per year.

Additional requirements and conditions of these sales are available and may be viewed at the Arizona State Land Department, 1616 West Adams Street, Phoenix, Arizona.

The complete file associated with the described land is open to public inspection at the ASLD, 1616 West Adams Street, Phoenix, Arizona from 8:00 a.m. to 4:30 p.m., exclusive of holidays and weekends. Please direct any questions regarding this Public Auction to the Water Rights Section of the Natural Resources Division of ASLD at (602) 542-4625. This auction notice is available on the ASLD's website at www.land.state.az.us.

Each potential bidder must show ASLD's representative a cashier's check made payable to the Arizona State Land Department in the amount specified under Terms of Sale Paragraph (A) below.

TERMS OF SALE FOR SALE NO. 21-116301:

(A) *At the time of sale* the successful bidder must pay the following by a cashier's check: (1) the first minimum annual royalty that is based upon the right to extract 80 acre-feet of groundwater per year, which is \$6,400.00; (2) A Selling and Administrative Fee of 3% of the minimum annual royalty, which is \$192.00; (3) Reimbursable Estimated Advertising Fee, which is \$2,000.00; (4) Reimbursable Appraisal Fee, which is \$2,800.00. The total amount due at time of sale is \$11,392.00 (less \$4,800.00 if the successful bidder is the applicant, for a total amount due of \$6,592.00).

(B) Within 30 days after the auction date the successful bidder must pay the full balance of the amount bid for the right to extract 80 acre-feet of groundwater per year and pay a Selling and Administrative Fee of 3% of the purchase price, less the amount paid under (A)(2) above.

(C) Within 30 days after the time of sale the successful bidder shall be required to pay the actual legal advertising cost, less the amount paid under (A)(3) above.

(D) On each anniversary date of the Auction and Sales Agreement, the successful bidder shall pay the minimum annual royalty payment for the ensuing year in the amount of \$6,400.00, or more as determined at Auction, adjusted as provided by paragraph (E) below, and a Selling and Administrative Fee, computed at 3% of the annual royalty payment for the ensuing year.

(E) Pursuant R12-5-2008 Natural Products-Groundwater and R12-5-2007.F. Reappraisals, the groundwater rate charged by the ASLD is subject to periodic reappraisal. When a reappraisal occurs, the ASLD shall give notice of any upward change in rate to the successful bidder, and the groundwater extraction charge shall be adjusted upward beginning in the contract year following the notice of adjustment. **IN ADDITION TO REAPPRAISAL, THE COMMISSIONER RESERVES THE RIGHT TO INSTITUTE A MIDTERM CPI ADJUSTMENT INCREASE SHOULD MARKET CONDITIONS JUSTIFY.**

TERMS OF SALE FOR SALE NO. 21-116302:

(A) *At the time of sale* the successful bidder must pay the following by a cashier's check: (1) the first minimum annual royalty that is based upon the right to extract 80 acre-feet of groundwater per year, which is \$6,400.00; (2) A Selling and Administrative Fee of 3% of the minimum annual royalty, which is \$192.00; (3) Reimbursable Estimated Advertising Fee, which is \$2,000.00; (4) Reimbursable Appraisal Fee, which is \$2,800.00. The total amount due at time of sale is \$11,392.00 (less \$4,800.00 if the successful bidder is the applicant, for a total amount due of \$6,592.00).

(B) Within 30 days after the auction date the successful bidder must pay the full balance of the amount bid for the right to extract 80 acre-feet of groundwater per year and pay a Selling and Administrative Fee of 3% of the purchase price, less the amount paid under (A) (2) above.

(C) Within 30 days after the time of sale the successful bidder shall be required to pay the actual legal advertising cost, less the amount paid under (A)(3) above.

(D) On each anniversary date of the Auction and Sales Agreement, the successful bidder shall pay the minimum annual royalty payment for the ensuing year in the amount of \$6,400.00, or more as determined at Auction, adjusted as provided by paragraph (E) below, and a Selling and Administrative Fee, computed at 3% of the annual royalty payment for the ensuing year.

(E) Pursuant R12-5-2008 Natural Products-Groundwater and R12-5-2007.F. Reappraisals, the groundwater rate charged by the ASLD is subject to periodic reappraisal. When a reappraisal occurs, the ASLD shall give notice of any upward change in rate to the successful bidder, and the groundwater extraction charge shall be adjusted upward beginning in the contract year following the notice of adjustment. **IN ADDITION TO REAPPRAISAL, THE COMMISSIONER RESERVES THE RIGHT TO INSTITUTE A MIDTERM CPI ADJUSTMENT INCREASE SHOULD MARKET CONDITIONS JUSTIFY.**

ADDITIONAL CONDITION(S):

(A) The successful bidder agrees to execute the ASLD'S Water Agreement, which shall be dated as of the auction date, within 30 days of receipt, and to perform all the terms, covenants, and conditions thereof.

(B) The highest and best bidder shall be determined on the basis of the bidder who pays forthwith the cash deposit and offers the highest royalty per year for the water to be removed from State land described herein.

(C) If the parcel from which water is to be removed is under a commercial lease at the time of sale, lessee will surrender the lease. The successful bidder must reimburse the lessee for improvements, and must obtain a permit or a leasehold interest in the parcel, along with any necessary easements prior to removal of water. If the parcel from which water is to be removed is not under a commercial lease at the time of sale, the land described above will be reclassified for commercial use and the successful bidder will be required to obtain a commercial lease and all necessary rights-of-way, and the lease or purchase of the well and any other improvements located on the leased land, before water may be extracted from the land.

(D) The successful bidder shall comply with all applicable state and federal laws including if water is to be drawn from a designated Active Management Area or Irrigation Non-expansion area, permission in the form of a Groundwater Withdrawal Permit or other permit, must be obtained from the Department of Water Resources prior to use of the water.

(E) Pursuant to R12-5-2007.A.4, the granting of a right to extract groundwater shall not constitute a representation or guarantee by the Arizona State Land Department that there is groundwater available at any level or any quality for extraction.

BIDDING INFORMATION FOR SALE NOS. 21-116301 & 21-116302:

(A) The time of sale shall be deemed to be the time of declaration of the highest and best bidder. The bidding will begin at the appraised per acre-foot value of each site. A bid for less than the appraised value or by a party who has not inspected the land and/or the associated files and records of ASLD will not be considered. Additional bidding increments shall be a minimum of \$10.00 thereafter. Bidding will be conducted orally.

(B) All bidders must sign an affidavit stating that they have undertaken due diligence in preparation for the auction and that their representative is authorized to bid and bind the bidder. It is the bidder's responsibility to research the records of local jurisdictions and public agencies regarding this property.

(C) Pursuant to A.R.S. §37-240.B, the successful bidder must be authorized to transact business in the state of Arizona no later than three (3) business days after the auction. The successful bidder must sign an affidavit stating it is the successful bidder and sign a Certification Statement pursuant to A.R.S. Title 37 and the Rules of ASLD.

(D) If the successful bidder fails to complete the payments as stated in the auction notice together with the additional required fees within 30 days from the auction date, all amounts paid at the time of auction by the successful bidder will be forfeited.

(E) In the event of forfeiture, the ASLD Commissioner may declare that the bid placed before the final bid accepted is the highest bid, and that the bidder has five (5) days after notification by ASLD to pay by cashier's check all amounts due.

(F) In the event no bids are received at the time of auction, no reimbursement will be paid to the applicant by the ASLD for the advertising fee and the appraisal fee.

GENERAL INFORMATION:

The ASLD may cancel this auction in whole or in part at any time prior to the acceptance of a final bid.

A protest to this sale must be filed within 30 days after the first day of publication of this announcement and in accordance with Article 4.1 of A.R.S. §37-301.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the ADA Coordinator, at (602) 542-2636. Requests should be made as early as possible to allow time to arrange the accommodation.

Max D. Masel
(for) Vanessa P. Hickman
State Land Commissioner

February 4, 2013
Date